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To: Board of Patent Appeals and Interferences
Fax No.: (571) 273-8300
From: Michael J. Cummings
Date: May 29, 2007
Subject: 09/903,500 (F-278)
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Sr. Corporate Counsel
Intellectual Property & Technology Law
35 Waterview Drive
P.O. Box 3000
Shelton, CT 06484-8000
203-924-3934
203-924-3919 Fax
michael.Cummings@pb.com
www.pitneybowes.com

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1. A Letter Requesting Reconsideration by the Board for Application Serial No. 09/903,500 (F-278) (8 pages)

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(0068226.1)

Serial No.: 09/903,500

Attorney Docket No.: F-278

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In Patent application of:) Attorney Docket No.: F-278

John K. Eckl) Group Art No.: 3622

Filed: July 12, 2001) Customer No.: 00919

Serial No.: 09/903,500) Examiner: Myhre, J. W.

Confirmation No.: 5429) Date: May 29, 2007

Title: BILLING SYSTEM WITH ELECTRONIC AND PRINTED DISTRIBUTION

Mail Stop Appeal Brief- Patents
Commissioner for Patents
Alexandria, VA 22313-1450REQUEST FOR RECONSIDERATION BY THE BOARD
FROM AN ADVERSE DECISION ON APPEAL

Sir:

Pursuant to 37 CFR § 41.52 Appellant requests reconsideration of the decision of the Board of Patent Appeals and Interferences dated March 29, 2007 in the subject patent application. The previous briefing on this appeal is incorporated by reference. This request will address specific points misapprehended by the Board. Also, since the new *res judicata* ground for rejection was raised for the first time in the Board's decision, Appellant will address those grounds for the first time pursuant to 37 CFR § 41.50 (ii)(b)(2).

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Claims 12, 14, 15, 17-20 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent 5,802,498 to Comesanas ("Comesanás"). Claims 16 and 24 stand rejected as being unpatentable under 35 U.S.C. § 103(a) over Comesanas in view of U.S. Patent 5,699,528 to Hogan ("Hogan").

In its March 29, 2007 opinion, the Board articulated two grounds for finding that the disputed "delivery preferences" steps and elements were found in Comesanas. First, the Board found that "recipient delivery preferences" recited in each of the independent claims could be interpreted more broadly than the electronic or paper transmission argued by the Appellants as grounds for distinguishing Comesanas. Second, the Board opined that even if a narrower interpretation was given to "recipient delivery preferences" then the disclosure of those elements and steps could be inferred from the text of Comesanas. As discussed below, these findings are based on misapprehensions of the rejected claims, and of the specific text relied upon by the Board for its inferences.

The Board's Incorrect Claim Interpretations

The Board opined:

The term "delivery preferences" as it appears in the preamble and the body of the claim is broader than whether the recipient desires electronic or paper mail transmission. The term "delivery preferences" is broad enough to read on a recipient's preference to be billed on a certain date, to be billed monthly or quarterly, or indeed to have the electronic transmittal charged to the recipient's account."

(pages 6-7)

Appellants submit that it is not necessary to speculate about a range of activity that might be considered a delivery preference. The claims themselves recite limitations as to the type of "delivery preferences" that satisfy the claims. The recipient's preference for printed or electronic transmission is clearly required in the text of the claims as part of delivery preferences in both independent claims 12 and 18. Thus,

other "preferences" that might be suggested by Comesanas are irrelevant if they do not include the recipient's preference for printed or electronic delivery, which appear as limitations separately in each of claims 12 and 18. Appellants request that the board separately reconsider the specific text of each of the independent claims.

Claim 12 recites "delivery preferences for at least one recipient indicating whether a billing statement is to be transmitted by a said printed transmission or electronic transmission." Accordingly, there can be no question that the delivery preferences must include the recipients' preferences for printed or electronic transmission. Other types of "delivery preferences" alleged to be disclosed by Comesanas do not satisfy these specific requirements.

The preamble of claim 18 identifies the nature of preferences by reciting, "A method for delivering billing statements from a biller to a recipient, in accordance with recipient preferences, by means of a printed transmission or electronic transmission." Claim 18 further recites a step of "associating said recipient delivery preferences with said billing information to determine if said billing information is to be transmitted via printed transmission or electronic transmission."

For these reasons, it is clear that both claims 12 and 18 both independently require that recipient delivery preferences include the recipients' preference for printed or for electronic transmission. The interpretation proposed by the Board in its opinion unfairly ignores the express text of the claims, and is inconsistent with the reading of the claims as a whole. Appellant asks the board to carefully reconsider the express language in both of these claims to properly construe them.

The Board's Incorrect Interpretation of the Comesanas Reference

The Board's opinion that the Comesanas reference includes a disclosure of a system or method utilizing "recipient delivery preferences" for determining printed or electronic transmission relies heavily on one sentence from that reference. (See March 29, 2007 Decision, bottom of page 7, referring to the following sentence):

The present invention can be used in an ***all-electronic*** business environment whereby, for the debtors convenience in being allowed to make return payments electronically, the debtor signs a print written agreement that he authorizes being billed on his or her invoice for electronic transmittal charges that would otherwise be incurred by the creditor **for such electronic return payments** for which the creditor would be unwilling to pay.

(Col. 3, 17-26).

From this sentence, the Board opinion draws an incorrect conclusion that is the starting point for a flawed line of reasoning. The Board concluded, "The debtor/customer cannot select electronic delivery without agreeing to the electronic payment transmittal charges, because to enable electronic payment of transmittal charges the debtor/customer must submit a signed written agreement acceding to these charges. *As disclosed, unless the debtor/customer chooses to pay this fee, the debtor/customer cannot receive electronic billing.*" (March 29, 2007 Decision, page 8, emphasis added).

With this conclusion, the opinion assumes that if debtor does not sign the agreement, then the debtor is somehow excluded from participating in electronic payment system. The quoted passage never says this, nor is it implied. Instead, it says that for his own convenience, the debtor can sign an agreement to be invoiced for "**electronic return payments**." This is the same as the printed transmittal embodiment described in the rest of the specification. Comesanas envisioned that there might be an analogous charge in sending an electronic communication from a debtor to a biller, similar to the stamp that needs to be put on a return payment envelope in the printed world.

Part of the confusion of the sentence may lie in the fact that from hindsight we know that business models that charge for individual electronic transmittals have not been widely adopted. Comesanas' contemplation of such a model "in the future" has not come to pass. Thus, Comesanas' description of needing to pay a return charge that is analogous to putting a stamp on the return envelope seems odd, and contemporary preconceptions are being improperly applied.

In this sentence relied upon by the Board, all that Comesanas was saying was that his invention could be equally applicable in an all electronic environment, if there ever was an electronic charge that was analogous to the return postage stamp. Thus, in accordance with his invention, if a user did not accept to pre-pay the return transmittal charges, then the user would be left to his own means to put on his own stamp, or to pay his own electronic return transmittal charges. The passage relied upon never suggests that the debtor would be excluded from the electronic system if he chose not to participate in the pre-payment feature. Rather, it is clear that Comesanas is describing an electronic counterpart to the printed implementation "for the debtor's convenience," and that the debtor could opt not to accept that convenience, but otherwise continue to receive bills.

This interpretation is consistent with the rest of the Comesanas specification that describes the printed billing arrangement that can be opted out of, without requiring that the debtor forego receiving bills completely. It takes quite a strained interpretation to find that Comesanas was trying to describe a completely new paradigm in that one sentence. Rather, it is clear that Comesanas was simply referring to an analogous purely electronic arrangement to his printed billing scheme.

This correct interpretation is consistent with the sentence's reference to an "all electronic business environment." Under the Board's interpretation, if the debtor is opting out of the prepay scheme, then he is opting out of electronic communication altogether. However, if there is indeed an "all electronic" environment, then there is no alternative print environment to turn to. As a result, following the Board's incorrect interpretation, by declining to sign the pre-pay agreement the debtor would be unable to receive any kind of bill in the "all electronic" environment. This result makes no sense.

For these reasons, it is respectfully submitted that the Board misapprehended the passage relied upon in the Comesanas reference. There is no disclosure of a debtor providing a preference for electronic or printed transmittal of the bill. There is no disclosure of a system or method that utilizes those preferences to determine whether a particular bill should be processed and sent by either of those particular methods.

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For the first time, a rejection of *res judicata* was raised in the Board's March 29, 2007 decision in connection with claims 21-36.

With regard to Appellant's filing of this second appeal on those claims, Appellant has been completely forthright in explaining the reasons. After receiving the first adverse decision, Appellant was prepared to appeal and challenge the original Board's incorrect application of the Comesanas reference. However, upon review of the case, it was seen that one of the independent claims (claim 18) was open to a broader claim interpretation (reciting "delivery preferences" instead of "recipient delivery preferences"). Since the previous set of claims had been subject to the now defunct "Grouping of the Claims" requirement, and the Board had selected claim 18 as the representative claim, Appellants opted to correct the potential defect before proceeding to a further appeal.

Thus, Appellant has paid all the appropriate fees for a new application, as clearly entitled under the statutes, and is seeking an opportunity to properly challenge the incorrect application of Comesanas to the rejected claims. See *In Re Herr*, 377 F.3d 610, 611; 153 U.S.P.Q. 548 (CCPA 1967) ("In a sense, appellant has purged the prior application of the defects in the disclosure which we found dispositive in our earlier Herr opinion. . .").

Like independent claims 12 and 18 discussed above, the claims rejected under *res judicata* each include features relating to the use of recipient delivery preferences to determine printed or electronic transmission. If either or both of claims 12 and 18 discussed above is found to be allowable over Comesanas, the same allowable subject matter will be found in these further claims.

These features are reflected in the claims as follows:

Claim 21 - "means for extracting from a database the prescribed delivery preference corresponding to each said isolated record" and "means for determining whether each of said records is intended for printed transmission or electronic transmission in dependence upon said extracted prescribed delivery preference,"

Claim 26 - "extracting from a database the prescribed delivery preference corresponding to each said isolated record" and "determining whether each of said records is intended for printed transmission or electronic transmission in dependence upon said extracted prescribed delivery preference."

Claim 30 - "a server coupled to said switch, said server comprising: means for determining whether each of said records is intended for printed transmission or electronic transmission in dependence upon the prescribed delivery preference of the corresponding recipient; means for converting billing information to a format appropriate for electronic transmission and generating an electronic billing statement from the billing information."

The courts have found that where the grounds for the upholding the prior rejection of patent claims by the USPTO has been found to be incorrect, then the doctrine of *res judicata* does not apply. *In re Craig*, 411 F.2d 1333, 1335; 162 U.S.P.Q. 157, (CCPA, 1969) ("When the Patent Office, through its duly constituted tribunal, has determined that claims are patentable to an applicant under the statute, allowance of those claims should not be refused merely because on a previous occasion the same or similar claims have been refused on grounds no longer deemed to be valid."). See also, *In re Russell*, 439 F.2d 1228, 1230; 169 U.S.P.Q. 426 (CCPA 1971) (reversing *res judicata* rejection, even where claims were viewed as identical). *Res judicata* alone, unsupported by a valid rejection, is insufficient for the USPTO to deny grant of patent claims. *Id.*; *Ex parte Swanson*, 215 U.S.P.Q. 564, 565 (Bd. App. 1982) ("The mission of the PTO is to grant patents on applications which meet the requirements of the applicable statutes."). Accordingly, when it is found that Comesanas does not include the disputed feature, then these claims will also be allowable, and the *res judicata* rejections must be withdrawn.

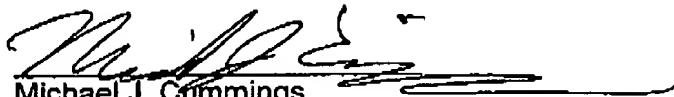
For purposes of this reconsideration request, it is important to carefully review the passage in Comesanas relied upon by the Board for the "recipient delivery preference" feature discussed above. A fair review of that language in each of

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independent claims 12, 18, 21, 26, and 30 in view of that reference is all that Appellant wants for this appeal, or for any subsequent proceedings that become necessary.

Respectfully submitted,



Michael J. Cummings
Reg. No. 46,650
Attorney for Appellants
Telephone (203) 924-3934

PITNEY BOWES INC.
Intellectual Property and Technology Law Department.
35 Waterview Drive, P.O. Box 3000
Shelton, CT 06484-8000

(10067935.1)

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